



Paris, February 17th, 2011

PRESS RELEASE

2010 results

- **Sharp improvement in 2010 results**
 - **Current operating income: 739 M€**
 - **Net income, Group share: 328 M€**
- **Favourable outlook for early 2011, nevertheless with high volatility**
- **Proposed dividend €3.50 /share, up 94%**
- **Growth stepped up: industrial capital expenditure to be doubled in 2011 to over 600 M€**

ERAMET's Board of Directors, meeting on February 16th, 2011 under the chairmanship of Patrick BUFFET, prepared the financial statements for 2010, which will be submitted to shareholders at their General Meeting on May 11th, 2011.

Patrick BUFFET, ERAMET Chairman & Chief Executive Officer, stated, *“The sharp improvement in ERAMET's results in 2010 reflects not only the Group's resilience and ability to bounce back, but also its great responsiveness, stemming from its targeted positioning on attractive sectors. ERAMET benefits from emerging countries' growth on one hand through price rises for our metals and on the other hand through the development of our sales.*

Our specialised, integrated model and our technological skills throughout the value chain (mining, upscale metallurgy, recycling,...) help drive our developments in new metals with high growth potential that the European Union and France often view as strategic.

The ERAMET Group is aiming to almost double its industrial capital expenditure in 2011 to more than €600 million and has all the financial and technological resources needed to reach its long term objectives. The Group's strategic project will mean faster growth in the coming years and substantial value creation, for the benefit of all its stakeholders, particularly its local partners.”

- **Sharp rise in turnover and income**

(€ millions)	H1 2010	H2 2010	2010	2009
Turnover	1 788	1 788	3 576	2 689
Current operating income (loss)	341	398	739	(163)
Net income (loss), Group share	175	153	328	(265)
Net income (loss), Group share (€/share)	6.65	5.78	12.43	(10.16)
Operating cash flow	288	439	727	112
Net cash	1 062	1 295	1 295	946

Turnover (€ millions)	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2010	2009	Change
Group	789	999	819	969	3 576	2 689	33%
Manganese	409	523	437	489	1 858	1 289	44%
Nickel	201	282	208	274	965	655	47%
Alloys	182	196	176	210	764	750	2%

The global economy grew significantly in 2010 after a year of crisis in 2009. Economies in major developed geographic zones contributed to that upturn without, however, regaining their pre-crisis business levels, unlike the main emerging countries, which continued their growth. In that more positive environment, the Group's markets also benefited from the end of the inventory reduction movement that had weighed on their activity in 2009.

The ERAMET Group's turnover grew 33% in 2010 compared with 2009 to 3,576 M€. Its growth remained firm in the 4th quarter of 2010 (+28% compared with the 4th quarter 2009).

The Group's current operating income rose sharply in 2010 to 739 M€, after a 2009 affected by the global crisis. This improvement reflects, in particular, a significant increase in sales prices, the upturn in volumes and continued productivity efforts. The Group's current operating margin was 21% in 2010. In the 2nd half of 2010, its current operating income increased 17% from the 1st half 2010 to 398 M€, with a current operating margin of 22%.

The Group's share of net income recovered strongly in 2010 at 328 M€, i.e. €12.43/share, compared with a 265 M€ loss in 2009.

- **Further strengthening of financial resources in late 2010 and sound profitability make an ambitious growth project possible**

The ERAMET Group's consolidated net cash improved further, totalling 1,295 M€ at the end of 2010, despite a 14% rise in industrial capital expenditure in 2010 to 326 M€ and a 121 M€ cash dividend payout, including dividends paid to minority shareholders of Société Le Nickel (SLN) and COMILOG.

Moreover, the 600 M€ syndicated loan available to the ERAMET Group, which fell due in 2012, was renegotiated in 2010 and was raised to 800 M€, falling due in 2016.

- **A €3.50 / share dividend proposed**

The ERAMET Group's Board of Directors will propose to Shareholders at the General Meeting of May 11th, 2011 a cash dividend of € 3.50 per share, reflecting the good results for 2010 and the favourable outlook for 2011.

- **Stronger, modernised partnerships with New Caledonia and Gabon**

In 2010, the ERAMET Group continued with its long-term partners to implement modernised governance mechanisms, which were introduced in 2008 at COMILOG, and in 2009 at SLN. This approach helped to involve the Gabonese Republic and the New Caledonian Provinces more closely in COMILOG and SLN, respectively.

In July 2010, ERAMET and Société Territoriale Calédonienne de Participation Industrielle (STCPI), which holds a 34% share in SLN and a 4.1% share in ERAMET, also decided to extend the SLN shareholders' agreement, which was created in 2000 and due for renewal in 2010, in order to make the necessary adaptations for its long-term renewal by the end of 2011. In that respect, the boards of ERAMET and SLN have approved two new long-term agreements, on one hand for technical assistance and on the other hand for marketing, between ERAMET and SLN (regulated agreements procedure).

Moreover, in October 2010 ERAMET and the Gabonese Republic strengthened their long-term partnership in COMILOG through an agreement for ERAMET to transfer additional interests of up to 10% of COMILOG's capital to the Gabonese Republic in several stages by 2015. The Gabonese Republic's shareholding would thus total 35.4% of COMILOG's capital. The first stage covers the transfer of 3.54% of COMILOG's capital in 2010-2011, of which 2.17% was completed in 2010.

- **ERAMET Manganese: sharp increase in activity and current operating income**

Thanks to the substantial increase in sales prices and volumes of manganese ore and alloys, the Manganese division's turnover rose 44% in 2010 compared with 2009, to 1,858 M€.

Current operating income totalled 548 M€.

Global production of carbon steels, the main market for manganese, rose 16% in 2010 compared with 2009 to 1.4 billion tons, significantly above 2008 levels. China grew 11%, despite the restrictions set by the Chinese Government in the last months of the year. Steel production outside China increased 22%, without however regaining 2008 levels.

In response to the upturn in demand, ERAMET Manganese was quick to increase its manganese ore and alloys outputs in 2010, which returned to 2008 levels.

Shipments of the Manganese Division's manganese alloys rose 7% in 2010 compared with the previous year. External shipments of manganese ore and sinter increased 31% over the same period.

CIF China spot prices (source: CRU) for manganese ore grew 38% in 2010 to average 7.3 USD / dmtu, ending the year around 6 USD/dmtu.

Spot prices for manganese alloys (source: CRU) grew by 32% on average in 2010 compared with 2009.

- **ERAMET Nickel: significant improvement in current operating income to 194 M€**

Thanks to the sharp rise in nickel prices, ERAMET Nickel's turnover increased 47% in 2010 compared with 2009, totalling 965 M€.

Current operating income for 2010 amounted to 194 M€.

Global production of stainless steel, the main market for nickel, grew 21% in 2010 compared with 2009 to set a new record, higher than 2007. It grew 20% in China and 22% in the rest of the world.

The world nickel market showed a slight supply shortfall, buoying up LME nickel prices, which grew 48% from the very low levels in 2009 to average 9.89 USD/lb. Towards the end of the year, LME nickel prices exceeded the 11 USD/lb. mark.

Metallurgical output at the Doniambo plant totalled 53,700 tons in 2010.

As at the end of 2010, the SLN competitiveness improvement plan is in line with the goal set in late 2009. The aim is to reduce the cash cost by 1 USD per pound of nickel by 2012 compared with 2008, at constant economic conditions. 50% of the 2012 target was already achieved by year-end 2010.

- **ERAMET Alloys: current operating income 29 M€ for 2010, of which 24 M€ in the 2nd half**

The Alloys Division's 2010 turnover, at 764 M€, increased slightly from 2009. The upturn intensified in the 4th quarter of 2010 with a 21% rise in the Division's turnover compared with the same period in 2009. The tooling sector recovered from the very low activity of 2009 without regaining pre-crisis levels, while aerospace-related orders increased significantly.

ERAMET Alloys continued to implement the programmes intended to improve its profitability on a lasting basis, such as reducing fixed costs, particularly by restructuring certain sites, controlling working capital and refocusing growth on higher value-added sectors.

Moreover, ERAMET Alloys signed several major long-term contracts in the aerospace and energy sectors in 2010.

The Alloys Division's current operating performance recovered substantially from a 49 M€ loss in 2009 to current operating income of 29 M€ in 2010, of which 24 M€ was recorded in the 2nd half of the year alone.

- **Favourable outlook for early 2011 but with high volatility**

Growth trends for global demand in high-performance alloys and steel-consuming sectors are healthy.

ERAMET Manganese

Global steel production continues to grow, driven by firm demand in emerging countries, as well as lower steel inventories. This growth in demand should lead to the gradual adjustment of alloys and ore inventories in China. ERAMET Manganese is aiming for higher ore and sinter production in 2011 at 3.6 million tons, in line with COMILOG's ramp-up to its production goal of 4 million tons in 2012.

ERAMET Nickel

LME nickel prices have continued to rise since the beginning of the year, reaching almost 13 USD/lb recently, in a context where nickel supply lags behind demand, particularly because of the delays observed in new project starts.

ERAMET Nickel is aiming for nickel production of around 57,000 tons in 2011 and continues to implement its SLN sustainable development project, with an initial production goal of 60,000 tons in 2012, preparing for the ramp-up to 65,000 tons planned by 2014. Moreover, 7,600 tons of nickel has been hedged for 2011 with a 20,400 USD/t floor, net of premiums, and a price rise sensitivity of 90% of the estimated billing.

ERAMET Alloys

Trends remain healthy on the aerospace and tooling markets, leading to further improvement in Eramet Alloys' activity and performance.

ERAMET Group

In that context, the outlook is favourable for early 2011 with, nevertheless, high volatility.

- **Continuation of productivity and continuous improvement programmes throughout the Group**

The Group will continue to roll out its competitiveness improvement programmes. It has achieved 173 M€ in lasting savings in two years and continues to implement structural competitiveness improvement programmes on several sites, particularly at SLN in New Caledonia, at ERASTEEL in Sweden and in manganese chemicals in Belgium.

- **Faster pace of development for the Group with industrial capital expenditure to almost double to more than 600 M€**

The ERAMET Group has completed more than €2 billion in industrial capital expenditure in the past seven years. It plans to virtually double its industrial capital expenditure in 2011 compared with 2010 to more than 600 M€ in order to continue implementing its organic growth programmes and prepare for its major transformative projects.

- **Several new industrial entities will come on stream in the Group by the end of 2011**

- In China, the new manganese alloys plant in Guilin will replace the current site and eventually produce 165,000 tons of manganese alloys, of which 60,000 tons of refined alloys, bolstering ERAMET Manganese's global leadership in this segment

- In France, ERAMET Alloys will benefit from the start-up of several strategic capital projects: new titanium forging facilities (UKAD joint venture), the vacuum furnace for high-performance superalloys and steels and the new 3,000-ton press in Issoire for aluminium forging
- Also in France, recycling capacity is being extended at Valdi, a company acquired in 2010
- In Sweden, the new powder atomising tower that will enable ERASTEEL to extend its activities into new alloys and consolidate the Group's technical leadership in this area.

- **The Group is making progress in studies on major transformative projects and developments into new metals with high growth potential**

- Nickel: Weda Bay Nickel in Indonesia

The Group, with its partners Mitsubishi Corporation and Antam, continues to study the bankable feasibility of this project for annual nickel output of 65,000 tons, under a two-stage framework (first phase corresponding to 35,000 tons of nickel produced per year). Mining resources were again revised significantly upwards. The Group has obtained insurance from MIGA, an organisation connected to the World Bank, covering some of the expenditure for the project, which it continues to study under the best sustainable development standards. The final investment decision will be made with our partners in late 2012.

- Titanium: partnership with Kazakhstan's UKTMP group

The new titanium conversion plant, located in France and developed by UKAD, a joint venture by Aubert&Duval and the Kazakh group UKTMP, will start in 2011, creating a complete supply chain, particularly for major aerospace customers.

- Niobium, rare earths, tantalum: Mabounié deposit, Gabon (100% held by Maboumine, a 60% COMILOG subsidiary)

The aim is to develop a specific hydrometallurgical process for this type of complex polymetallic deposit that would give Gabon and ERAMET a front-rank position in niobium and rare earths, in particular. The ERAMET Group and its partners made great progress on developing that process in 2010 with the construction of a specific hydrometallurgical pilot. In 2011, the first pilot trial of the upstream process phase will be carried out.

- Lithium: partnership with the Bolloré group

ERAMET continues to search for and explore new deposits in Latin America and is making progress on the development in its research centre of lithium beneficiation and conversion processes, particularly for electric and hybrid vehicle power.

- **An ambitious strategic project that creates value for all the Group's partners**

ERAMET is positioned on growing markets over the medium and long terms for alloying metals and uprange metallurgy. The Group has the resources needed to carry out its ambitious development project. This will be reflected in dynamic growth and diversification, including new high-potential metals.

With its specialised skill set, integrated throughout the metals value chain, ERAMET is a strategic partner in the sustainable development of new industrial activities.

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WEBCAST OF RESULTS PRESENTATION

The presentation of the 2010 results will be webcast at 10am (Paris time) in French with simultaneous English translation. To sign up, click on the link shown on the Group's website www.eramet.com

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CALENDAR

The ERAMET Shareholders' Meeting will take place on May 11th, 2011 at Maison de l'Amérique Latine, 217 Bd St-Germain, 75007 Paris.

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ABOUT ERAMET

ERAMET is a leading global producer of:

- alloying metals, particularly manganese and nickel, used to improve the properties of steel,
- high-performance special steels and alloys used in industries such as aerospace, power generation and tooling.

ERAMET is also developing in new metals with high growth potential such as lithium and in recycling.

The Group employs approximately 15,000 people in 20 countries. ERAMET is part of Euronext Paris Compartment A and is listed on the MSCI index.

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APPENDIX

Note: change in Group structure

The main changes in Group structure had a net positive effect of 11.8 M€ on the change in turnover and concern the acquisition of the French company Valdi in early 2010 and the equity method accounting of Tinfos A/S (mainly the Nottoden hydroelectric plant), which was previously fully consolidated, as from May 2009. Furthermore, in 2010 ERAMET divested Tinfos International (“Nizi”), previously recorded as Assets intended for Divestment.

Production and shipments

Metric tons	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2010	2009	Change
Manganese ore and sinter production	757 000	817 000	881 000	746 000	3 201 000	1 992 000	61%
Manganese alloys production	203 000	201 000	195 000	180 000	779 000	617 000	26,2%
Manganese alloys sales	199 000	191 000	183 000	180 000	753 000	705 000	7%
Nickel production*	13 650	13 135	13 168	13 767	53 720	52 131	3%
Nickel sales**	13 333	14 800	11 369	14 148	53 650	54 476	-1.5%

* Ferronickel and matte

** Finished products

Statement of comprehensive income

(millions of euros)	Full year 2010	Full year 2009	Full year 2008
Sales	3 576	2 689	4 346
Other income	31	(35)	107
Cost of products sold	(2 437)	(2 414)	(2 749)
Administrative & selling costs	(155)	(142)	(141)
Research & development expenditure	(44)	(39)	(58)
EBITDA	971	59	1 505
Depreciation, amortisation & impairment of non-current assets	(225)	(210)	(186)
Impairment losses and provisions	(7)	(12)	2
Current operating income	739	(163)	1 321
Other operating income and expenses	(19)	(104)	(78)
Operating income	720	(267)	1 243
Net cost of debt	3	11	34
Other finance income and expenses	(15)	(12)	(75)
Share in earnings of affiliates	1	-	-
Income tax	(255)	7	(347)
Net income	454	(261)	855
- Minority interests	126	4	161
- Equity holders of the parent	328	(265)	694
Basic earnings per share (EUR)	12,43	(10,16)	27,03
Diluted earnings per share (EUR)	12,40	(10,16)	26,96
Net income	454	(261)	855
Exchange differences on translation of foreign operations	63	109	(123)
Net (loss) / gain on cash flow hedges	(20)	135	(109)
Net (loss) / gain on available for sale financial assets	3	21	(13)
Income tax	6	(53)	46
Other comprehensive income (loss)	52	212	(199)
- Minority interests	8	20	(17)
- Equity holders of the parent	44	192	(182)
Total comprehensive income	506	(49)	656
- Minority interests	134	24	144
- Equity holders of the parent	372	(73)	512

Statement of financial position**Assets**

(millions of euros)	12/31/2010	12/31/2009	12/31/2008
Goodwill	172	161	263
Intangible assets	521	432	345
Property, plant & equipment	1 903	1 795	1 763
Companies accounted for using the equity method	22	21	-
Other financial non-current assets	86	100	137
Deferred tax	30	68	32
Other non-current assets	5	5	6
Non-current assets	2 739	2 582	2 546
Inventories	996	824	1 242
Trade receivables and other current assets	642	514	597
Tax receivables	12	43	141
Financial derivatives	128	90	111
Other financial current assets	359	405	388
Cash and cash equivalents	1 227	812	944
Current assets	3 364	2 688	3 423
Total assets	6 103	5 270	5 969

Shareholders' equity and liabilities

(millions of euros)	12/31/2010	12/31/2009	12/31/2008
Share capital	81	80	80
Share premiums	371	341	345
Available for sale reserve	7	6	(8)
Cash flow hedge reserve	10	24	(54)
Foreign currency translation reserve	24	(32)	(132)
Other reserves	2 465	2 116	2 430
Shareholders' equity of the parent	2 958	2 535	2 661
Minority interests	1 016	970	1 071
Shareholders' equity	3 974	3 505	3 732
Employee benefits	123	128	121
Provisions	360	314	271
Deferred tax	342	297	240
Borrowings - due in more than one year	203	199	92
Other non-current liabilities	33	36	22
Non-current liabilities	1 061	974	746
Provisions - due in less than one year	29	29	32
Borrowings - due in less than one year	88	72	107
Trade payables and other current liabilities	731	590	907
Tax payables	149	74	287
Financial derivatives	71	26	158
Current liabilities	1 068	791	1 491
Total shareholders' equity and liabilities	6 103	5 270	5 969

Statement of changes in net cash / borrowing position

(millions of euros)	Full year 2010	Full year 2009	Full year 2008
Operating activities			
EBITDA	971	59	1 505
Elimination of non-cash or non-business items:	(201)	(101)	(395)
Operating cash flow before changes in working capital	770	(42)	1 110
Changes in operating working capital requirement	(43)	154	30
Net cash flows from operating activities	727	112	1 140
Investing activities			
Capital expenditure	(326)	(286)	(419)
Non-current financial assets	76	11	(425)
Disposals of non-current assets	5	3	11
Net change in non-current asset receivables / liabilities	4	(11)	(4)
Changes in scope of consolidation and loans	(11)	(10)	27
Dividends from equity accounted affiliates	-	-	1
Net cash flows from investing activities	(252)	(293)	(809)
Financing activities			
Dividends paid	(152)	(164)	(205)
Share capital increases	31	74	119
Changes in working capital requirement related to financing activities	-	19	-
Net cash flows from financing activities	(121)	(71)	(86)
Impact of translation adjustments	(5)	65	(66)
Decrease (increase) in net cash (borrowing) position	349	(187)	179
Opening net cash (borrowing) position	946	1 133	954
Closing net cash (borrowing) position	1 295	946	1 133

Segment reporting**By division**

(millions of euros)	Nickel	Manganèse	Alloys	Holding & eliminations	Total
Full year 2010					
Non-Group sales	958	1 853	763	2	3 576
Intra-Group sales	7	5	1	(13)	-
Sales	965	1 858	764	(11)	3 576
Cash flows from operating activities	229	518	56	(33)	770
EBITDA	269	656	76	(30)	971
Current operating income	194	548	29	(32)	739
Other operating income and expenses	-	-	-	-	(19)
Operating income	-	-	-	-	720
Cost of borrowed capital	-	-	-	-	3
Other finance income and expenses	-	-	-	-	(15)
Share of income from equity accounted companies	-	-	-	-	1
Income tax	-	-	-	-	(255)
Minority interests	-	-	-	-	(126)
Group net income (loss)	-	-	-	-	328
Non-cash expenses	(82)	(211)	(40)	17	(316)
- depreciation & amortisation	(78)	(100)	(41)	(2)	(221)
- provisions	(10)	(5)	(14)	12	(17)
- impairment losses	-	(2)	13	-	11
Capital expenditure (intangibles and property, plant & equipment)	124	130	69	3	326
Total balance sheet assets (current and non-current)	2 630	3 030	1 007	(564)	6 103
Total balance sheet liabilities (current and non-current excluding sareholders)	842	1 043	630	(386)	2 129
Full year 2009					
Non-Group sales	649	1 289	750	1	2 689
Intra-Group sales	6	-	-	(6)	-
Sales	655	1 289	750	(5)	2 689
Cash flows from operating activities	(15)	13	(21)	(19)	(42)
EBITDA	13	72	(5)	(21)	59
Current operating income	(62)	(27)	(49)	(25)	(163)
Other operating income and expenses	-	-	-	-	(104)
Operating income	-	-	-	-	(267)
Cost of borrowed capital	-	-	-	-	11
Other finance income and expenses	-	-	-	-	(12)
Share of income from equity accounted companies	-	-	-	-	-
Income tax	-	-	-	-	7
Minority interests	-	-	-	-	(4)
Group net income (loss)	-	-	-	-	(265)
Non-cash expenses	(57)	(86)	(90)	14	(219)
- depreciation & amortisation	(75)	(92)	(47)	(17)	(231)
- provisions	(57)	(3)	2	-	(58)
- impairment losses	-	(3)	(48)	-	(51)
Capital expenditure (intangibles and property, plant & equipment)	107	110	67	2	286
Total balance sheet assets (current and non-current)	2 406	2 765	895	(796)	5 270
Total balance sheet liabilities (current and non-current excluding sareholders)	748	972	537	(492)	1 765
Full year 2008					
Non-Group sales	896	2 347	1 102	1	4 346
Intra-Group sales	1	1	-	(2)	-
Sales	897	2 348	1 102	(1)	4 346
Cash flows from operating activities	249	814	74	(27)	1 110
EBITDA	239	1 163	122	(19)	1 505
Current operating income	169	1 088	86	(22)	1 321
Other operating income and expenses	-	-	-	-	(78)
Operating income	-	-	-	-	1 243
Cost of borrowed capital	-	-	-	-	34
Other finance income and expenses	-	-	-	-	(75)
Share of income from equity accounted companies	-	-	-	-	-
Income tax	-	-	-	-	(347)
Minority interests	-	-	-	-	(161)
Group net income (loss)	-	-	-	-	694
Non-cash expenses	(117)	(84)	(38)	(16)	(255)
- depreciation & amortisation	(72)	(62)	(41)	(2)	(177)
- provisions	(9)	21	2	6	20
- impairment losses	(7)	(41)	-	-	(48)
Capital expenditure (intangibles and property, plant & equipment)	189	145	83	2	419
Total balance sheet assets (current and non-current)	2 465	2 998	1 109	(603)	5 969
Total balance sheet liabilities (current and non-current excluding sareholders)	765	1 058	638	(225)	2 236

Segment reporting**By geographic region**

(millions of euros)	Europe	North America	Asia	Oceania	Africa	South America	Total
Sales (destination of sales)							
Full year 2010	1 598	642	1 201	32	77	26	3 576
Full year 2009	1 270	466	840	24	72	17	2 689
Full year 2008	2 224	812	1 156	44	91	19	4 346
Capital expenditure (intangibles and property, plant & equipment)							
Full year 2010	108	28	75	50	64	1	326
Full year 2009	83	16	54	65	68	-	286
Full year 2008	122	47	34	156	60	-	419
Total balance sheet assets (current and non-current)							
Full year 2010	3 792	400	700	846	365	-	6 103
Full year 2009	3 157	352	533	903	325	-	5 270
Full year 2008	3 725	430	587	1 017	210	-	5 969



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The ERAMET Group's turnover grew 33% in 2010 compared with 2009 to 3,576 M€. Its growth remained firm in the 4th quarter of 2010 (+28% compared with the 4th quarter 2009).

The Group's current operating income rose sharply in 2010 to 739 M€, after a 2009 affected by the global crisis. This improvement reflects, in particular, a significant increase in sales prices, the upturn in volumes and continued productivity efforts. The Group's current operating margin was 21% in 2010. In the 2nd half of 2010, its current operating income increased 17% from the 1st half 2010 to 398 M€, with a current operating margin of 22%.

The Group's share of net income recovered strongly in 2010 at 328 M€, i.e. €12.43/share, compared with a 265 M€ loss in 2009.

- **Further strengthening of financial resources in late 2010 and sound profitability make an ambitious growth project possible**

The ERAMET Group's consolidated net cash improved further, totalling 1,295 M€ at the end of 2010, despite a 14% rise in industrial capital expenditure in 2010 to 326 M€ and a 121 M€ cash dividend payout, including dividends paid to minority shareholders of Société Le Nickel (SLN) and COMILOG.

Moreover, the 600 M€ syndicated loan available to the ERAMET Group, which fell due in 2012, was renegotiated in 2010 and was raised to 800 M€, falling due in 2016.

- **A €3.50 / share dividend proposed**

The ERAMET Group's Board of Directors will propose to Shareholders at the General Meeting of May 11th, 2011 a cash dividend of € 3.50 per share, reflecting the good results for 2010 and the favourable outlook for 2011.

- **Stronger, modernised partnerships with New Caledonia and Gabon**

In 2010, the ERAMET Group continued with its long-term partners to implement modernised governance mechanisms, which were introduced in 2008 at COMILOG, and in 2009 at SLN. This approach helped to involve the Gabonese Republic and the New Caledonian Provinces more closely in COMILOG and SLN, respectively.

In July 2010, ERAMET and Société Territoriale Calédonienne de Participation Industrielle (STCPI), which holds a 34% share in SLN and a 4.1% share in ERAMET, also decided to extend the SLN shareholders' agreement, which was created in 2000 and due for renewal in 2010, in order to make the necessary adaptations for its long-term renewal by the end of 2011. In that respect, the boards of ERAMET and SLN have approved two new long-term agreements, on one hand for technical assistance and on the other hand for marketing, between ERAMET and SLN (regulated agreements procedure).

Moreover, in October 2010 ERAMET and the Gabonese Republic strengthened their long-term partnership in COMILOG through an agreement for ERAMET to transfer additional interests of up to 10% of COMILOG's capital to the Gabonese Republic in several stages by 2015. The Gabonese Republic's shareholding would thus total 35.4% of COMILOG's capital. The first stage covers the transfer of 3.54% of COMILOG's capital in 2010-2011, of which 2.17% was completed in 2010.

- **ERAMET Manganese: sharp increase in activity and current operating income**

Thanks to the substantial increase in sales prices and volumes of manganese ore and alloys, the Manganese division's turnover rose 44% in 2010 compared with 2009, to 1,858 M€.

Current operating income totalled 548 M€.

Global production of carbon steels, the main market for manganese, rose 16% in 2010 compared with 2009 to 1.4 billion tons, significantly above 2008 levels. China grew 11%, despite the restrictions set by the Chinese Government in the last months of the year. Steel production outside China increased 22%, without however regaining 2008 levels.

In response to the upturn in demand, ERAMET Manganese was quick to increase its manganese ore and alloys outputs in 2010, which returned to 2008 levels.

Shipments of the Manganese Division's manganese alloys rose 7% in 2010 compared with the previous year. External shipments of manganese ore and sinter increased 31% over the same period.

CIF China spot prices (source: CRU) for manganese ore grew 38% in 2010 to average 7.3 USD / dmtu, ending the year around 6 USD/dmtu.

Spot prices for manganese alloys (source: CRU) grew by 32% on average in 2010 compared with 2009.

- **ERAMET Nickel: significant improvement in current operating income to 194 M€**

Thanks to the sharp rise in nickel prices, ERAMET Nickel's turnover increased 47% in 2010 compared with 2009, totalling 965 M€.

Current operating income for 2010 amounted to 194 M€.

Global production of stainless steel, the main market for nickel, grew 21% in 2010 compared with 2009 to set a new record, higher than 2007. It grew 20% in China and 22% in the rest of the world.

The world nickel market showed a slight supply shortfall, buoying up LME nickel prices, which grew 48% from the very low levels in 2009 to average 9.89 USD/lb. Towards the end of the year, LME nickel prices exceeded the 11 USD/lb. mark.

Metallurgical output at the Doniambo plant totalled 53,700 tons in 2010.

As at the end of 2010, the SLN competitiveness improvement plan is in line with the goal set in late 2009. The aim is to reduce the cash cost by 1 USD per pound of nickel by 2012 compared with 2008, at constant economic conditions. 50% of the 2012 target was already achieved by year-end 2010.

- **ERAMET Alloys: current operating income 29 M€ for 2010, of which 24 M€ in the 2nd half**

The Alloys Division's 2010 turnover, at 764 M€, increased slightly from 2009. The upturn intensified in the 4th quarter of 2010 with a 21% rise in the Division's turnover compared with the same period in 2009. The tooling sector recovered from the very low activity of 2009 without regaining pre-crisis levels, while aerospace-related orders increased significantly.

ERAMET Alloys continued to implement the programmes intended to improve its profitability on a lasting basis, such as reducing fixed costs, particularly by restructuring certain sites, controlling working capital and refocusing growth on higher value-added sectors.

Moreover, ERAMET Alloys signed several major long-term contracts in the aerospace and energy sectors in 2010.

The Alloys Division's current operating performance recovered substantially from a 49 M€ loss in 2009 to current operating income of 29 M€ in 2010, of which 24 M€ was recorded in the 2nd half of the year alone.

- **Favourable outlook for early 2011 but with high volatility**

Growth trends for global demand in high-performance alloys and steel-consuming sectors are healthy.

ERAMET Manganese

Global steel production continues to grow, driven by firm demand in emerging countries, as well as lower steel inventories. This growth in demand should lead to the gradual adjustment of alloys and ore inventories in China. ERAMET Manganese is aiming for higher ore and sinter production in 2011 at 3.6 million tons, in line with COMILOG's ramp-up to its production goal of 4 million tons in 2012.

ERAMET Nickel

LME nickel prices have continued to rise since the beginning of the year, reaching almost 13 USD/lb recently, in a context where nickel supply lags behind demand, particularly because of the delays observed in new project starts.

ERAMET Nickel is aiming for nickel production of around 57,000 tons in 2011 and continues to implement its SLN sustainable development project, with an initial production goal of 60,000 tons in 2012, preparing for the ramp-up to 65,000 tons planned by 2014. Moreover, 7,600 tons of nickel has been hedged for 2011 with a 20,400 USD/t floor, net of premiums, and a price rise sensitivity of 90% of the estimated billing.

ERAMET Alloys

Trends remain healthy on the aerospace and tooling markets, leading to further improvement in Eramet Alloys' activity and performance.

ERAMET Group

In that context, the outlook is favourable for early 2011 with, nevertheless, high volatility.

- **Continuation of productivity and continuous improvement programmes throughout the Group**

The Group will continue to roll out its competitiveness improvement programmes. It has achieved 173 M€ in lasting savings in two years and continues to implement structural competitiveness improvement programmes on several sites, particularly at SLN in New Caledonia, at ERASTEEL in Sweden and in manganese chemicals in Belgium.

- **Faster pace of development for the Group with industrial capital expenditure to almost double to more than 600 M€**

The ERAMET Group has completed more than €2 billion in industrial capital expenditure in the past seven years. It plans to virtually double its industrial capital expenditure in 2011 compared with 2010 to more than 600 M€ in order to continue implementing its organic growth programmes and prepare for its major transformative projects.

- **Several new industrial entities will come on stream in the Group by the end of 2011**

- In China, the new manganese alloys plant in Guilin will replace the current site and eventually produce 165,000 tons of manganese alloys, of which 60,000 tons of refined alloys, bolstering ERAMET Manganese's global leadership in this segment

- In France, ERAMET Alloys will benefit from the start-up of several strategic capital projects: new titanium forging facilities (UKAD joint venture), the vacuum furnace for high-performance superalloys and steels and the new 3,000-ton press in Issoire for aluminium forging
- Also in France, recycling capacity is being extended at Valdi, a company acquired in 2010
- In Sweden, the new powder atomising tower that will enable ERASTEEL to extend its activities into new alloys and consolidate the Group's technical leadership in this area.

- **The Group is making progress in studies on major transformative projects and developments into new metals with high growth potential**

- Nickel: Weda Bay Nickel in Indonesia

The Group, with its partners Mitsubishi Corporation and Antam, continues to study the bankable feasibility of this project for annual nickel output of 65,000 tons, under a two-stage framework (first phase corresponding to 35,000 tons of nickel produced per year). Mining resources were again revised significantly upwards. The Group has obtained insurance from MIGA, an organisation connected to the World Bank, covering some of the expenditure for the project, which it continues to study under the best sustainable development standards. The final investment decision will be made with our partners in late 2012.

- Titanium: partnership with Kazakhstan's UKTMP group

The new titanium conversion plant, located in France and developed by UKAD, a joint venture by Aubert&Duval and the Kazakh group UKTMP, will start in 2011, creating a complete supply chain, particularly for major aerospace customers.

- Niobium, rare earths, tantalum: Mabounié deposit, Gabon (100% held by Maboumine, a 60% COMILOG subsidiary)

The aim is to develop a specific hydrometallurgical process for this type of complex polymetallic deposit that would give Gabon and ERAMET a front-rank position in niobium and rare earths, in particular. The ERAMET Group and its partners made great progress on developing that process in 2010 with the construction of a specific hydrometallurgical pilot. In 2011, the first pilot trial of the upstream process phase will be carried out.

- Lithium: partnership with the Bolloré group

ERAMET continues to search for and explore new deposits in Latin America and is making progress on the development in its research centre of lithium beneficiation and conversion processes, particularly for electric and hybrid vehicle power.

- **An ambitious strategic project that creates value for all the Group's partners**

ERAMET is positioned on growing markets over the medium and long terms for alloying metals and uprange metallurgy. The Group has the resources needed to carry out its ambitious development project. This will be reflected in dynamic growth and diversification, including new high-potential metals.

With its specialised skill set, integrated throughout the metals value chain, ERAMET is a strategic partner in the sustainable development of new industrial activities.

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WEBCAST OF RESULTS PRESENTATION

The presentation of the 2010 results will be webcast at 10am (Paris time) in French with simultaneous English translation. To sign up, click on the link shown on the Group's website www.eramet.com

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CALENDAR

The ERAMET Shareholders' Meeting will take place on May 11th, 2011 at Maison de l'Amérique Latine, 217 Bd St-Germain, 75007 Paris.

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ABOUT ERAMET

ERAMET is a leading global producer of:

- alloying metals, particularly manganese and nickel, used to improve the properties of steel,
- high-performance special steels and alloys used in industries such as aerospace, power generation and tooling.

ERAMET is also developing in new metals with high growth potential such as lithium and in recycling.

The Group employs approximately 15,000 people in 20 countries. ERAMET is part of Euronext Paris Compartment A and is listed on the MSCI index.

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APPENDIX

Note: change in Group structure

The main changes in Group structure had a net positive effect of 11.8 M€ on the change in turnover and concern the acquisition of the French company Valdi in early 2010 and the equity method accounting of Tinfos A/S (mainly the Nottoden hydroelectric plant), which was previously fully consolidated, as from May 2009. Furthermore, in 2010 ERAMET divested Tinfos International (“Nizi”), previously recorded as Assets intended for Divestment.

Production and shipments

Metric tons	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2010	2009	Change
Manganese ore and sinter production	757 000	817 000	881 000	746 000	3 201 000	1 992 000	61%
Manganese alloys production	203 000	201 000	195 000	180 000	779 000	617 000	26,2%
Manganese alloys sales	199 000	191 000	183 000	180 000	753 000	705 000	7%
Nickel production*	13 650	13 135	13 168	13 767	53 720	52 131	3%
Nickel sales**	13 333	14 800	11 369	14 148	53 650	54 476	-1.5%

* Ferronickel and matte

** Finished products

Statement of comprehensive income

(millions of euros)	Full year 2010	Full year 2009	Full year 2008
Sales	3 576	2 689	4 346
Other income	31	(35)	107
Cost of products sold	(2 437)	(2 414)	(2 749)
Administrative & selling costs	(155)	(142)	(141)
Research & development expenditure	(44)	(39)	(58)
EBITDA	971	59	1 505
Depreciation, amortisation & impairment of non-current assets	(225)	(210)	(186)
Impairment losses and provisions	(7)	(12)	2
Current operating income	739	(163)	1 321
Other operating income and expenses	(19)	(104)	(78)
Operating income	720	(267)	1 243
Net cost of debt	3	11	34
Other finance income and expenses	(15)	(12)	(75)
Share in earnings of affiliates	1	-	-
Income tax	(255)	7	(347)
Net income	454	(261)	855
- Minority interests	126	4	161
- Equity holders of the parent	328	(265)	694
Basic earnings per share (EUR)	12,43	(10,16)	27,03
Diluted earnings per share (EUR)	12,40	(10,16)	26,96
Net income	454	(261)	855
Exchange differences on translation of foreign operations	63	109	(123)
Net (loss) / gain on cash flow hedges	(20)	135	(109)
Net (loss) / gain on available for sale financial assets	3	21	(13)
Income tax	6	(53)	46
Other comprehensive income (loss)	52	212	(199)
- Minority interests	8	20	(17)
- Equity holders of the parent	44	192	(182)
Total comprehensive income	506	(49)	656
- Minority interests	134	24	144
- Equity holders of the parent	372	(73)	512

Statement of financial position**Assets**

(millions of euros)	12/31/2010	12/31/2009	12/31/2008
Goodwill	172	161	263
Intangible assets	521	432	345
Property, plant & equipment	1 903	1 795	1 763
Companies accounted for using the equity method	22	21	-
Other financial non-current assets	86	100	137
Deferred tax	30	68	32
Other non-current assets	5	5	6
Non-current assets	2 739	2 582	2 546
Inventories	996	824	1 242
Trade receivables and other current assets	642	514	597
Tax receivables	12	43	141
Financial derivatives	128	90	111
Other financial current assets	359	405	388
Cash and cash equivalents	1 227	812	944
Current assets	3 364	2 688	3 423
Total assets	6 103	5 270	5 969

Shareholders' equity and liabilities

(millions of euros)	12/31/2010	12/31/2009	12/31/2008
Share capital	81	80	80
Share premiums	371	341	345
Available for sale reserve	7	6	(8)
Cash flow hedge reserve	10	24	(54)
Foreign currency translation reserve	24	(32)	(132)
Other reserves	2 465	2 116	2 430
Shareholders' equity of the parent	2 958	2 535	2 661
Minority interests	1 016	970	1 071
Shareholders' equity	3 974	3 505	3 732
Employee benefits	123	128	121
Provisions	360	314	271
Deferred tax	342	297	240
Borrowings - due in more than one year	203	199	92
Other non-current liabilities	33	36	22
Non-current liabilities	1 061	974	746
Provisions - due in less than one year	29	29	32
Borrowings - due in less than one year	88	72	107
Trade payables and other current liabilities	731	590	907
Tax payables	149	74	287
Financial derivatives	71	26	158
Current liabilities	1 068	791	1 491
Total shareholders' equity and liabilities	6 103	5 270	5 969

Statement of changes in net cash / borrowing position

(millions of euros)	Full year 2010	Full year 2009	Full year 2008
Operating activities			
EBITDA	971	59	1 505
Elimination of non-cash or non-business items:	(201)	(101)	(395)
Operating cash flow before changes in working capital	770	(42)	1 110
Changes in operating working capital requirement	(43)	154	30
Net cash flows from operating activities	727	112	1 140
Investing activities			
Capital expenditure	(326)	(286)	(419)
Non-current financial assets	76	11	(425)
Disposals of non-current assets	5	3	11
Net change in non-current asset receivables / liabilities	4	(11)	(4)
Changes in scope of consolidation and loans	(11)	(10)	27
Dividends from equity accounted affiliates	-	-	1
Net cash flows from investing activities	(252)	(293)	(809)
Financing activities			
Dividends paid	(152)	(164)	(205)
Share capital increases	31	74	119
Changes in working capital requirement related to financing activities	-	19	-
Net cash flows from financing activities	(121)	(71)	(86)
Impact of translation adjustments	(5)	65	(66)
Decrease (increase) in net cash (borrowing) position	349	(187)	179
Opening net cash (borrowing) position	946	1 133	954
Closing net cash (borrowing) position	1 295	946	1 133

Segment reporting**By division**

(millions of euros)	Nickel	Manganèse	Alloys	Holding & eliminations	Total
Full year 2010					
Non-Group sales	958	1 853	763	2	3 576
Intra-Group sales	7	5	1	(13)	-
Sales	965	1 858	764	(11)	3 576
Cash flows from operating activities	229	518	56	(33)	770
EBITDA	269	656	76	(30)	971
Current operating income	194	548	29	(32)	739
Other operating income and expenses	-	-	-	-	(19)
Operating income	-	-	-	-	720
Cost of borrowed capital	-	-	-	-	3
Other finance income and expenses	-	-	-	-	(15)
Share of income from equity accounted companies	-	-	-	-	1
Income tax	-	-	-	-	(255)
Minority interests	-	-	-	-	(126)
Group net income (loss)	-	-	-	-	328
Non-cash expenses	(82)	(211)	(40)	17	(316)
- depreciation & amortisation	(78)	(100)	(41)	(2)	(221)
- provisions	(10)	(5)	(14)	12	(17)
- impairment losses	-	(2)	13	-	11
Capital expenditure (intangibles and property, plant & equipment)	124	130	69	3	326
Total balance sheet assets (current and non-current)	2 630	3 030	1 007	(564)	6 103
Total balance sheet liabilities (current and non-current excluding shareholders)	842	1 043	630	(386)	2 129
Full year 2009					
Non-Group sales	649	1 289	750	1	2 689
Intra-Group sales	6	-	-	(6)	-
Sales	655	1 289	750	(5)	2 689
Cash flows from operating activities	(15)	13	(21)	(19)	(42)
EBITDA	13	72	(5)	(21)	59
Current operating income	(62)	(27)	(49)	(25)	(163)
Other operating income and expenses	-	-	-	-	(104)
Operating income	-	-	-	-	(267)
Cost of borrowed capital	-	-	-	-	11
Other finance income and expenses	-	-	-	-	(12)
Share of income from equity accounted companies	-	-	-	-	-
Income tax	-	-	-	-	7
Minority interests	-	-	-	-	(4)
Group net income (loss)	-	-	-	-	(265)
Non-cash expenses	(57)	(86)	(90)	14	(219)
- depreciation & amortisation	(75)	(92)	(47)	(17)	(231)
- provisions	(57)	(3)	2	-	(58)
- impairment losses	-	(3)	(48)	-	(51)
Capital expenditure (intangibles and property, plant & equipment)	107	110	67	2	286
Total balance sheet assets (current and non-current)	2 406	2 765	895	(796)	5 270
Total balance sheet liabilities (current and non-current excluding shareholders)	748	972	537	(492)	1 765
Full year 2008					
Non-Group sales	896	2 347	1 102	1	4 346
Intra-Group sales	1	1	-	(2)	-
Sales	897	2 348	1 102	(1)	4 346
Cash flows from operating activities	249	814	74	(27)	1 110
EBITDA	239	1 163	122	(19)	1 505
Current operating income	169	1 088	86	(22)	1 321
Other operating income and expenses	-	-	-	-	(78)
Operating income	-	-	-	-	1 243
Cost of borrowed capital	-	-	-	-	34
Other finance income and expenses	-	-	-	-	(75)
Share of income from equity accounted companies	-	-	-	-	-
Income tax	-	-	-	-	(347)
Minority interests	-	-	-	-	(161)
Group net income (loss)	-	-	-	-	694
Non-cash expenses	(117)	(84)	(38)	(16)	(255)
- depreciation & amortisation	(72)	(62)	(41)	(2)	(177)
- provisions	(9)	21	2	6	20
- impairment losses	(7)	(41)	-	-	(48)
Capital expenditure (intangibles and property, plant & equipment)	189	145	83	2	419
Total balance sheet assets (current and non-current)	2 465	2 998	1 109	(603)	5 969
Total balance sheet liabilities (current and non-current excluding shareholders)	765	1 058	638	(225)	2 236

Segment reporting**By geographic region**

(millions of euros)	Europe	North America	Asia	Oceania	Africa	South America	Total
Sales (destination of sales)							
Full year 2010	1 598	642	1 201	32	77	26	3 576
Full year 2009	1 270	466	840	24	72	17	2 689
Full year 2008	2 224	812	1 156	44	91	19	4 346
Capital expenditure (intangibles and property, plant & equipment)							
Full year 2010	108	28	75	50	64	1	326
Full year 2009	83	16	54	65	68	-	286
Full year 2008	122	47	34	156	60	-	419
Total balance sheet assets (current and non-current)							
Full year 2010	3 792	400	700	846	365	-	6 103
Full year 2009	3 157	352	533	903	325	-	5 270
Full year 2008	3 725	430	587	1 017	210	-	5 969